

Message Text

SECRET

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43

ACTION NEA-07

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 PM-03

DODE-00 CIAE-00 MC-01 L-01 ACDA-07 OMB-01 TRSE-00 H-01

SP-02 /048 W

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R 201315Z APR 76

FM AMEMBASSY AMMAN

TO SECSTATE WASHDC 7630

INFO AMEMBASSY JIDDA

USCINCEUR

S E C R E T AMMAN 2121

LIMDIS

E.O. 11652: GDS

TAGS: MASS, JO, SA, US

SUBJECT: AIR DEFENSE SYSTEM FOR JORDAN

REF: (A) AMMAN 2100, (B) 75 AMMAN 6953, (C) 75 AMMAN 3276
(D) SECDEF 182206Z DEC 75

1. TEXT FOLLOWS EMBASSY EXPLANATORY PAPER LEFT WITH
PRIME MINISTER ON COSTS OF JORDANIAN AIR DEFENSE SYSTEM.

2. BEGIN TEXT: THE FOLLOWING OUTLINE IS THE US UNDER-
STANDING OF THE VARIOUS COST ARRANGEMENTS PROVIDED TO
JORDAN FOR AIR DEFENSE SYSTEMS:

JANUARY - FEBRUARY 1975 -- US AIR DEFENSE STUDY
WHICH PROPOSED SEVERAL PHASED OPTIONS.

PHASE 1 -- PROTECTION FOR FOUR ARMY DIVISIONS
HIGH OPTION
FOUR VULCAN/CHAPARRAL BATTALIONS--
\$240 MILLION DOLLARS

PHASE 2 -- PROTECTION FOR AIR BASES AND RADAR SITES --
HIGH OPTION
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TWO AIR BASES AND TWO RADAR SITES PROTECTED

WITH FOUR COMPOSITE VULCAN/CHAPARRAL

BATTERIES -- \$82 MILLION DOLLARS

PHASE 3 -- PROCUREMENT AND IMPROVEMENT OF FIGHTER FORCE --
HIGH OPTION

16 F-5E'S WITH IMPROVED RADAR AND MODIFY/

RETROFIT 32 PROGRAMMED F-5E'S WITH IMPROVED RADAR --

\$60.2 MILLION DOLLARS

PHASE 4 -- DEFEND AMMAN/ZARQZ COMPLEX --

HIGH OPTION

6 IMPROVED HAWK BATTERIES WITH ANCILLARY

EQUIPMENT - \$134 MILLION DOLLARS

THE TOTAL OF THE ABOVE FOUR HIGH OPTION PHASES ADDS UP
TO \$516.2 MILLION.

(THE OPTIONS OF THIS STUDY FORMED THE BASIS FOR SUB-
SEQUENT NEGOTIATIONS FOR THE 14 IMPROVED HAWK BATTERIES --
100 VULCAN GUN SYSTEM DESIRED BY JORDAN. JAF'S
ELIMINATION OF THE VULCAN/CHAPARRAL BATTALION IN
PHASES 1 AND 2 RESULTED IN THE REQUIREMENT FOR 8
ADDITIONAL HAWK BATTERIES AND 100 VULCAN GUN SYSTEMS.)

IN JULY 1975, LETTERS OF OFFER FOR 14 BATTERIES OF
IMPROVED HAWK EQUIPMENT AND 100 VULCAN GUNS WERE NOTIFIED
TO THE US CONGRESS. TOTAL COST FOR THESE LETTERS OF
OFFER OF \$356 MILLION DOLLARS. THESE LETTERS OF OFFER
WERE FOR BASIC EQUIPMENT ONLY AND CONGRESS WAS INFORMED
THAT COSTS FOR ADDITIONAL ELEMENTS OF THE SYSTEM WERE
UNDEFINED.

ON 14 OCTOBER 1975, CHIEF OF STAFF OF THE JORDANIAN
ARMED FORCES WAS PROVIDED WITH THE FIRST ESTIMATE OF
AIR DEFENSE SYSTEM COST IN THE SO-CALLED ROUGH ORDER
OF MAGNITUDE LETTER. TOTAL COST INCLUDED IN THIS
LETTER WAS \$588,350,000.

ON 19 DECEMBER 1975, A SECOND ROUGH ORDER OF
MAGNITUDE LETTER WAS PROVIDED TO THE CHIEF OF STAFF
OF THE JORDANIAN ARMED FORCES. THIS LETTER REDUCED
THE COSTS FOR A NUMBER OF SIGNIFICANT ITEMS IN THE
ORIGINAL LETTER, INCLUDING A NEARLY \$100 MILLION
DOLLARS REDUCTION FOR CONTRACTOR TECHNICAL ASSISTANCE.
TO ALLOW FOR ANY EXPECTED PRICE INCREASES, THE ROUGH
ORDER OF MAGNITUDE LETTER INCLUDED A MANAGEMENT RESERVE
FUND OF \$120 MILLION DOLLARS. THE TOTAL COST OF THIS

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ROUGH ORDER OF MAGNITUDE LETTER WAS \$713 MILLION DOLLARS.

BOTH ROUGH ORDER OF MAGNITUDE LETTERS WERE NOT ABLE
TO ESTIMATE COSTS FOR SOME ADMINISTRATIVE EXPENSES,
COMMAND AND CONTROL, A FIRING RANGE AND CONSTRUCTION
FOR SITES. THESE LATTER ITEMS STILL AWAIT FINAL
COST DEFINITION.

A COMPARISON OF THE TWO ROUGH ORDER OF MAGNITUDE
LETTERS INDICATES THAT CHANGES IN COSTS HAVE COME ABOUT

THROUGH THE ADDITION OF A MANAGEMENT RESERVE ITEM, NOT
INCREASED PRICES.THE CHANGE TOOK PLACE NOT BECAUSE OF
DELAYS IN CONGRESSIONAL CONSIDERATION BUT BECAUSE OF
PRUDENT ANTICIPATEION OF ON-GOING COST INCREASES OVER
THE LIFE OF THE PROGRAM. OTHER CHANGES HAVE RESULTED
IN REDUCTIONS BROUGHT ABOUT THROUGH A BETTER UNDERSTANDING
BY THE US MILITARY OF JORDANIAN CAPABILITIES TO MAN AND
OPERATE THE SYSTEM AT COSTS CONSIDERABLY BELOW WHAT
WOULD BE THE CASE IN NEIGHBORING COUNTRIES IN THE
AREA. END TEXT.
PICKERING

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, MILITARY SALES, MISSILES
Control Number: n/a
Copy: SINGLE
Draft Date: 20 APR 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
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From: AMMAN
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t19760446/aaaabmht.tel
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Reference: 76 AMMAN 2100, 76 AMMAN 6953, 76 AMMAN 3276
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Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2004
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Margaret P. Grafeld
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04 MAY 2006

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